

IN SENATE OF THE UNITED STATES.

JUNE 8, 1848.

Submitted, and ordered to be printed.

Mr. PEARCE made the following

REPORT :

[To accompany Joint Resolution S. No. 22.]

The Committee on the Post Office and Post Roads, to whom was referred the resolution of the Senate, directing them to inquire whether any and what legislation is necessary to secure the more regular and speedy transmission of the great northern and southern mail, report:

That for several years past, prior to December last, the great southern mail was carried from Washington to Richmond, Virginia, by steamboats, on the Potomac river, to Aquia creek, and thence by railroad. That the service was well and regularly performed, and the route better, quicker, more regular and satisfactory than any other between the same points. The cost of this route from 1843 down to July last, was \$32,252 per annum, and its length 131 miles. The Postmaster General being unwilling to renew the contract on the same terms, this route, after much unsuccessful negotiation, was discontinued in December last, and the longer, slower, less certain and satisfactory route, in steamboats, from Baltimore, via Norfolk and City Point, to Petersburg and Richmond, has been adopted. The length of this route is 350 miles, and the compensation \$34,000 per annum. Besides this alteration of the principal route, several changes have been made for the local supply, which were necessarily consequent upon the transfer of the great mail. Thus, the local mail, between Washington and Richmond, is now carried in two-horse wagons, in double the time required by the railroad and steamboat company, at a cost of \$13,000 per annum; nearly one-half the whole sum paid to the said company for the transportation of both the great southern and local mails.

On the other hand, the contract for the local supply between Baltimore and Norfolk has been discontinued. This amounted to \$9,200 per annum. After making due allowance, however, for all the reductions and additions occasioned by the change of route, it appears that the old service was cheapest, best, most regular, much quicker, more convenient to the public generally, and even more

advantageous to the department itself. The comparative cost of the two routes, and their adjuncts, as set forth in various letters from the Post Office Department to the committees of the House of Representatives and the Senate, may be thus stated. Cost of new route:

From Baltimore, in steamboats, via Norfolk and City Point, to Richmond. Supplying Petersburg, also...	\$34,000
Local mail from Washington to Richmond, in two-horse wagons	13,000
Local mail from Richmond to Petersburg, in wagons..	1,950
	<hr/>
	\$48,950

Additional services for the supply of small offices, near the present coach line, between Richmond and Washington, increase this sum to \$49,407 50.

To this must be added the cost not yet ascertained (or agreed upon with the contractors) of taking the mails from the steamboat landings, at Richmond and Petersburg.

The cost of the old route and service was, in all, \$47,575 48; the details of which, as stated by the Postmaster General, are as follows:

Route between Baltimore, Norfolk and Richmond.....	\$9,200
Railroad and steamboat line from Washington to Richmond.....	32,252
Railroad route from Richmond to Petersburg.....	5,818 48
Horse routes now discontinued.....	305
	<hr/>
	\$47,575 48

Difference in favor of the old route and service, per annum, besides the unascertained sum before mentioned, \$1,466 02.

The Postmaster General, in his letter to the Post Office committee of the House of Representatives, dated December 20, 1847, claimed a difference in favor of the new route and service of \$575 48 per annum. In his letter of the 23d May, 1848, to the Post Office committee of the Senate, he says, that this was true at the time; and that the change in the statement is owing to the necessity of providing for the transportation, in wagons, of the local mail between Richmond and Petersburg; a measure adopted by the department since December last.

The present route is thus shown to be more expensive than the old one; and the committee have abundant evidence that it is by no means so efficient.

For example: the great southern and northern mail which leaves Richmond at 6, a. m., is not received in Baltimore till 8, a. m., the following day, if the trip be performed in schedule time; and letters by it to Washington arrive at 11, a. m.; 29 hours. Whereas, by the old route, the mail from Richmond reached Washington the same day, about 4 o'clock, and went on north, through Baltimore, without delay. Thus, there is always, between Washington and Richmond, a delay of 17 or 18 hours, and sometimes much more, in going north; and in the reverse direction, an equal or greater

delay; while a letter for the south, mailed at Washington in the evening, goes to Baltimore by the morning train of cars, and must remain till 11, p. m., the same day, before it can start thence for the south. These delays are very vexatious, and have given rise to great and just complaints.

It may, also, be safely assumed that the revenues of the department suffer, and, under the present arrangement, must continue to suffer, certain and unavoidable loss by the private conveyance of mailable matter. All these delays and evils are the result of the change of route, and their correction seems to be equally demanded by public opinion and public interest. The manifest remedy is the restoration of the mail to the old route. But this the Postmaster General will not do, because he declares himself without legal authority to do so, upon the terms demanded by the railroad and steamboat company. He thinks himself prohibited, by the acts of Congress, and the previous decisions of his department, from contracting with the Virginia steamboat and railroad company on the same terms as heretofore.

The sum of \$32,252, heretofore paid the company, was made up of \$12,752 for the steamboat service on 54 miles of the route, and \$19,500 for the service over the railroad, 76 miles long. In March, 1847, the Post Office Department notified the company that these rates, which had been paid the company since 1842 and 1843, could not be allowed after July of that year; though the company continued, without contract, to carry the mail till December last.

The legislation of Congress, in relation to mail contracts with railroad and steamboat lines, may be found in the acts of July 7, 1838; January 35, 1839, and March 3, 1845; vide pages 283, 314, 585 and 739, of 5th vol. Laws U. S., by Little & Brown.

The second section of the first named act declares all railroads to be post routes, and requires the transportation of the mails thereon; provided, the Postmaster General "can have it done on reasonable terms; and not paying therefor, in any instance, more than 25 per cent. over and above what similar transportation would cost in post coaches."

The act of 1839 prohibits the Postmaster General from allowing, under the 2d section of the act of 1838, above quoted, "more than \$300 per mile, per annum, to any railroad company in the United States for the conveyance of one or more daily mails upon their roads; provided, that nothing in this act contained shall be construed so as, in any way, to remove or impair the limitations upon the power of the Postmaster General, imposed by that section."

The act of '45 directs the Postmaster General to classify the railroad routes, and provides that no higher compensation than that now allowed by law shall be paid for the conveyance of the mail, on any railroad or railroad and steamboat line of the first class, &c.

Under these laws, the Postmaster General considered himself prohibited from paying to the Virginia railroad and steamboat company more than \$237 50 per mile, per annum, for transporting the mail on their road.

One of his predecessors arrived at this result, thus: The act of 1838 limited the compensation to 25 per cent. advance on the cost of similar transportation in post coaches; and the Postmaster General says that \$190 per mile was the highest compensation then paid to any coach line in the United States for transporting the mail. To this sum he added 25 per cent., and the result was \$237 50, which he considered the maximum allowance authorised by law, for one daily mail.

This seems to the committee an arbitrary rule. It does not follow that because the highest price now paid for transportation of the mail, in coaches, is \$190 per mile, that the great southern mail could be transported, between Richmond and Washington, in post coaches at that rate; and the similar transportation in post coaches, contemplated by the law, cannot mean such service between other points, and on other routes, but must signify that between the same points or termini. Now, it is not pretended that the Postmaster General could have the great mail transported between Washington and Richmond, in post coaches, at \$190 per mile. On the contrary, the only offer recently made to carry the great mail between these points, in *four-horse vehicles*, constructed for the purpose, was for the sum of \$28,000 per annum; which, as the route is 121 miles long, would give about \$232 per mile, per annum; and 25 per cent. added to that would exceed considerably the amount demanded by the company.

Nor can this demand of \$28,000 per annum for transportation of the great mail, in four-horse vehicles, over this route, be considered exorbitant. The department now pays \$13,000 per annum for the conveyance of the local mails on the same route, in two-horse wagons; and the size and weight of the great mail is much more than double that of the local mail. An examination as to this, in the month of June, 1847, showed the average weight of the mails, going south, to be 3,000 lbs. The largest mail, during that time, was 5,200 lbs. During the session of Congress it would, of course, be much heavier.

Upon the whole, therefore, it is very clear to the committee, that the Postmaster General was not restricted, by a proper construction of the law, to \$237 50 per mile, which was his offer to the Virginia company. And though they give him credit for a vigilant watch over the interests of the department, and are sensible how easily incorporated companies, as well as individuals, may be induced to demand of the government more than a service is really worth, they must think that he would have consulted the requirement of the law, the economy of the public money, and the efficiency of the mail service, by renewing the contract with the company for the same sum as that which he had been paying, for more than two years, after he came into office.

In relation to the steamboat part of the route, the Postmaster General assumed that there was a distinction between that and the railroad part, and that he could not properly allow for the former what he offered for the latter. He insisted upon deducting 12½ per cent. from the mile price of the railroad part of the route, making in all about \$1,500 less for this part of the route.

In this the committee see no legal reason. Neither the act of 1838, nor any other act, make such or any other distinction. The act contemplates three classes of railroad routes, "including those in which the service is partly by railroad and partly by steam-boats;" and the Postmaster General is directed to classify them "according to the size of the mails, the speed with which they are conveyed, and the importance of the service." The Postmaster General himself considers this as a first class route, as it certainly is. The company is subject to unusual difficulties and expenses on this part of the route, which, indeed, seem to be recognized by the legislation of Congress.

In 1842, Congress passed a resolution authorizing the Postmaster General to extend the contract for the conveyance of the mail on the Potomac, for four years, from the termination of the then contract, in such a way as to receive the regular transmission of the mail by means of ice-boats, &c. The price of that contract was \$12,572 per annum, as before stated, which is less than the Postmaster General's maximum railroad price. In the performance of their service on this part of the route, the company have been obliged to keep two instead of one ice-boat always in readiness for use. These boats have been procured at great expense, and have been very successful in keeping the navigation of the Potomac open during the hard weather of winter. One of these boats was cut through and sunk in the winter of 1845-6, while in the performance of this service; a circumstance which shows how much greater the expense of this part of the route must be in winter, since such are its hazards.

The only difficulty in restoring the contract to the old route arises from the fact that the usual agreement has not been made for the discontinuance of the new contract. But to this it may be replied that no contract has yet been *executed* by the parties, although one has been prepared for that purpose.

From Baltimore to Norfolk the service is performed by the Baltimore steam-packet company, and this company is quite willing to relinquish its part of the service, without any claim for damages, as appears by the letter of their agent, appended to this report, if the carrying of the mail be restored to the railroad company. The residue or river part of the present service is performed by Mr. R. A. Mayo, whose pay for this part of the route is \$6,000 per annum. He is understood to be unwilling to relinquish his part of the contract without damages, although it is not believed to be at all profitable.

The committee suppose that, at the most, and under any circumstances, he could not suffer any loss by the discontinuance of his contract, which would be equal to the increased expense of the present route over the former one.

They, therefore, propose to leave the question of indemnity to him to the future action of Congress, and they report a resolution providing for the restoration of the mail to the route which public economy and the public interests indicate as every way the best and most efficient.

BALTIMORE, April 23, 1848.

DEAR SIR: I am directed by our board, in reply to yours of yesterday, to state that the Baltimore steam-packet company were induced to contract for the transportation of the mail between Baltimore and Norfolk at the price paid them, \$28,000, from the apprehension that, unless the contract was taken by them, it might be by other parties, who would run an opposition line for passengers, between the above points. We would willingly give up the contract, and make no claim for damages, if it is the pleasure of Congress to transfer the contract for the mail to the railroad and steamboat line, between Washington and Richmond; but, having incurred a heavy loss and expense, so far, to meet the views of the department, would not be willing to give up the contract except for the object stated.

With great respect, your obedient servant,

M. N. FALLS,

Agent Baltimore steam-packet company.

To Hon. J. A. PEARCE,

U. S. Senate, Washington.

